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TAGS: [ENRG](#) [EPET](#) [MASS](#) [MOPS](#) [EFIN](#) [EAGR](#) [PREL](#) [PGOV](#) [IZ](#)

SUBJECT: IRAQ INFRASTRUCTURE SECURITY: MOD PLAN UPDATE TO NATIONAL ENERGY COUNCIL

REF: A. A. BAGHDAD 2694

[1](#)B. B. BAGHDAD 2593 AND PREVIOUS

Classified By: ECONOMIC MINISTER COUNSELOR ANNE DERSE FOR REASONS 1.4 B

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[1](#)1. (C) SUMMARY: Iraq's National Energy Committee (NEC) reviewed the Ministry of Defense's (MOD) most recent plan for northern oil pipeline and infrastructure security during its 10th meeting on June 27. DPM Chalabi and other NEC members were frustrated with MOD's failure to produce what they consider a viable plan, and are also concerned over the 4-6 month-long delay in MOD's current proposal until oil infrastructure protection will begin in earnest. The DPM expressed disappointment in the plan and the ITG's inability to use existing, trained Iraqi armed forces -- instead of the tribal battalions, which he views as largely ineffective -- to secure the key infrastructure in Iraq. The tribal forces the ITG are now paying to protect the pipelines are the same people who are destroying the pipelines, he maintained. The DPM stated that the insurgents are trying to isolate Baghdad by attacking infrastructure, citing recent attacks on the Baghdad water supply facilities, oil and refinery product pipelines, electricity lines, towers, and substations. The DPM stressed, "infrastructure protection for oil is just as important as any other element of Iraqi security." The Ministry of Water Resources (MOW) reported planned increases from 300 m3 per second to 500 m3 per second of flows of water from Turkey and a new study to revitalize the Bakhme dam to generate hydropower. The Ministry of Electricity (ME) reported on plans to increase the availability of electricity by 2500-3000 MW by summer 2006 in Iraq. END SUMMARY.

[1](#)2. (SBU) DPM Ahmed Chalabi convened the 10th meeting of the ITG National Energy Committee on June 27. The purpose of the meeting was to review the revised Ministry of Defense plan to defend the northern Iraqi oil pipelines. Those attending included the Deputy Minister of Electricity (ME), Deputy Minister of Water Resources (MWR), Deputy Minister of Finance (MOF), Deputy Minister of Industry and Minerals (MIM), Minister of Oil (MOO), Deputy Minister of Interior (MOI), MOD Director General of Programs and Budget, Deputy Commander of the Iraqi Armed Forces, EMINCOUNS, IRMO Director and emboffs.

IRAQI ARMED FORCES UPADATED INFRASTRUCTURE PROTECTION PLAN

[1](#)3. (C) The Deputy Commander of the Armed Forces updated the NEC on the revised infrastructure protection plan (reftels: BAGHDAD 2694, 2593 and previous). The plan is to use the battalions of tribal forces in the Kirkuk area, which are currently known as the Strategic Infrastructure Battalions (SIB), to be the primary guards for the linear oil infrastructure between Kirkuk and Bayji. These forces are to be recruited and trained over the next several months while concurrently guarding the pipelines. He said the US 42ID from Tikrit would be "training the trainers" in the four SIBS one company per cycle for three weeks, followed by a two week period of training the battalions. MOO will provide special lectures to the soldiers on oil security and protection of the pipelines. The MOD has begun to compile the required equipment list for the battalions. The Deputy Commander of the Armed Forces said it was not possible to train these units in only 3-4 months to take full control of the pipeline security operations. It would take at least six months. The funding for initial training, sustaining, and equipping of the units will be \$35 million for the next three months. The oversight of the training and the protection operations will be done from the Joint Forces Headquarters (JHQ) in Baghdad. The MOD will host the Infrastructure Coordination Cell with liaison elements from MOI, MWR, MNF-I, MOO, MOT, and ME. This organization will monitor activities across all ministries, identify protection requirements, and conduct the planning for infrastructure security operations.

[1](#)4. (C) The Commander of the 4th Iraqi Division, a Kurdish general from Kirkuk, questioned the Deputy Commander of the Armed Forces sharply on why he could not choose the commanders of the SIBs, since he was to be the overall commander of these units and knew the territory. He suggested the MOD should consult with him when they wanted to hire commanders for these units. The Deputy Commander of the Armed Forces told him he did not choose the commanders of the

units, but rather the DPM and MOO chose these commanders. The DPM stated he would not discuss this action, while the MOO said nothing. The Commander of the 4th Division said he needed another battalion on the west side of the Tigris River to secure the crossing sites.

15. (C) The DPM complained that the ITG was paying for 1000 soldiers per battalion and they were not accomplishing their mission of pipeline defense, and the Commanding General of the 4th Iraqi Division from Kirkuk complained there were usually only 200 men present for duty in these units. This implied corruption in payments for salaries in his mind. The Deputy Commander of the Armed Forces told the DPM that it was taking time to fill the units, and not many men were volunteering for the positions. The MOO then complained openly to the Deputy Commander of the Armed Forces that the current SIBs were totally ineffective and useless. The DPM concurred and said these battalions were in fact the ones attacking the pipelines. The DPM stated the tribal leaders were the ones who were responsible for the destruction of the pipelines. The government was paying them money for protection, and they were extorting additional funds by causing additional damage to the pipelines.

16. (C) The MOO wanted to know when the pipelines would be secured so MOO could export oil to the North. The Deputy Commander of the Armed Forces said the plan needed to be approved by MNF-I, and said he would seek General Casey's approval this week. The Iraqi NSC Deputy Director, BG Adel Aziz, said there would be 17 SIBs of 1000 men each. At present there is no real structure to these units and those that exist are currently ineffective. The DPM then interjected that, "we paid money for these battalions, and they have destroyed our pipelines. They are stopping our oil from reaching Turkey." The DPM said he would call General Casey and ask him to assess the Iraqi forces. He continued, stating, "the infrastructure protection for oil is just as important as any other element of Iraqi security."

17. (C) Following the NEC's formal meeting, the DPM noted to emboffs that he was very dissatisfied with the current state of infrastructure security. He did not want to use the unreliable SIBs to secure the economic lifeline for Iraq, but rather wants to have trained Iraqi Army battalions securing the pipelines and other infrastructure. The DPM acknowledged there is a political problem in that many of the currently trained Iraqi forces are Kurdish, and there is sensitivity in the ITG about sending them into non-Kurdish areas of the country in the run up to the constitutional debate.

PIPELINE REPAIRS

18. (SBU The Ministry of Finance (MOF) representative said it is taking far too long to repair the pipelines. The MOD was stating it took 21-42 days to repair pipeline sabotage attacks. The MOF representative said it should only take 4-5 days, and there was a huge monetary loss for each day the pipelines were not repaired. The MOO added that every time MOO repairs the pipelines, they are blown up again within a week.

INTELLIGENCE SUPPORT

19. (C) The MOI representative requested approval to establish an intelligence unit to oversee MOO due to concerns that MOO may have been infiltrated by insurgents, Baathists, and former intelligence elements from the Saddam era. The principal concern is that every time MOO begins to ship oil along a pipeline, it is then attacked.

INSURGENT PLAN TO ISOLATE BAGHDAD

10. (C) DPM stated that the insurgents were trying to isolate Baghdad by attacking infrastructure. He cited the attacks on the Baghdad water supply facilities; oil and refinery product pipelines; electricity lines, towers, and substations. (NOTE: During the six day period from June 18 to June 24 2005, the 18-inch crude pipeline between Basrah and Baghdad; the 12-inch Baghdad petroleum product ring pipeline; the 10-inch petroleum product pipeline from Baghdad to Latifyah; and the 14-inch LPG Bayji to Baghdad pipeline all were interdicted by insurgent IED attacks. Moreover, the 26- and 30-inch crude oil and 16-inch natural gas pipelines at Al Fathah suffered explosions; the cause is uncertain at this time. The disruptions cut off pipeline crude deliveries to the Daura (Baghdad) and Bayji refineries, natural gas deliveries to the Taji and Daura power plants, crude oil

deliveries to the Musayyib and Quds power plants, and product deliveries between the two largest depots in the Baghdad area. All three of Iraq's refineries - Bayji, Daura (Baghdad) and Basrah - are now operating at 50 per cent of capacity. Though days of supply for all products in the Baghdad area remain sufficient, Baghdad could see shortages in 7-10 days, depending on how quickly the pipelines are repaired and refineries return to normal operating levels. In this same period, two-thirds of the water supply to Baghdad was interdicted by insurgent attacks on the water supply network, causing severe water shortages and hardships to the populace in Baghdad, while multiple electricity lines and towers were interdicted, reducing power availability in Baghdad. END NOTE)

INCREASED ELECTRICITY

11. (SBU) The Deputy Minister for the ME reported to the NEC on the progress of added electrical power availability for Iraq. Current electricity production in terms of MWH, he stated, was at the highest level in the history of Iraq. Agreements have been made with IRAN, TURKEY, SYRIA and on-going negotiations with KUWAIT for additional electrical power for Iraq. On Iran, he said he confirmed an addition to the current 100 MW, stating Iran will provide a total of 600 MW as of next summer at \$.05 per KWH, and that Iran had an excess of 9000 MW of electricity capacity. The imports from Turkey are currently 175 MW, and this will rise to 900 MW by summer 2006 if details can be worked out with the EU. Syria currently provides 70 MW of electricity and this will continue. Kuwait currently provides no electric power to Iraq, since it has no regular surplus. However, there are on-going negotiations the construction of power plants in Kuwait that would dedicate all output to Iraq. These import agreements, and the ongoing construction projects will provide an estimated 2500-3000 MW of additional power by mid-2006 to the Iraqi grid. (NOTE: IRMO officials believe the mid-2006 estimate to be overly optimistic. Detailed engineering studies and transmission network upgrades need to be performed before approximately 1500 MW of additional power can be imported into Iraq. A more realistic estimate is early 2007. END NOTE)

12. (SBU) The Ministry of Water Resources (MWR) reported planned increases from 300 m3 to 500 m3 on flows of water from Turkey and a new study to revitalize the Bekhme dam to generate hydropower. He stated that the Bekhme dam was 30 per cent complete. The dam was first proposed in 1952, and Saddam initiated construction in 1988. Work on the dam was halted during the war periods, and much of the structure is intact and can be used in the completion of the project. If it is completed, it will be the largest project in Iraq. The DPM requested that the MWR provide a study on the dam project and present it to the NEC for future funding consideration. MWR said that a Japanese firm was doing a study of the dam now to provide current cost and construction estimates. The original costs for this dam were \$1.5-billion for initial completed construction and a total former cost completion total of \$7.0-billion in the late 1980's.

13. (SBU) The ME also asked the DPM for support on the rational use of electricity across Iraq, specifically complaining about the province of Basrah hoarding electricity. The DPM said it was wrong for the provinces to not share electricity, and that ME should move a portion of the Basrah electricity across the nation of Iraq. Allocation of electricity should be done according to the Summer Electricity Plan. The ME also reported some of the power plants could have produced additional electric power, but were unable to get fuel from the MOO. The MOO responded that the saboteurs had destroyed the pipelines, which prevented the delivery of the fuel to the ME.

OIL PRODUCTION STATUS

14. (SBU) MOO reported the decline of oil exports continuing, with exports having dropped from 1.8-million bpd in 2004 to 1.45-million bpd currently. He said MOO expected additional declines unless security of the pipelines improved. MOO said that over 90 per cent of all problems with exports were related to attacks on infrastructure. The DPM instructed the MOO to come up with a plan for increased production of oil for export. MOO responded he was working on it, and immediately added he would no longer provide crude oil, now selling for \$ 60 per barrel, for additional power generation -- the ME would need to burn natural gas or Heavy Fuel Oil (HFO) in place of crude oil in power plants. MOO said he would come up with a plan to provide additional natural gas to the ME. The DPM said the gas turbines for electrical generation should use natural gas, and that these power plants were being destroyed by the use of other fuels

instead of natural gas. The DPM said he wanted the natural gas and hydropower electrical plants to generate the base power generation capacity in Iraq, and use the diesel thermal plants only to meet peak load demands.

AGENDA FOR NEXT MEETING OF NATIONAL ENERGY COMMITTEE

15. (C) The DPM said the next meeting of the NEC would review the status of infrastructure protection plan on the following Monday.

COMMENT

16. (C) COMMENT: The NEC remains dissatisfied with MOD's infrastructure security plan and frustrated that the ITG cannot use the Iraqi Army to defend key infrastructure. The DPM's comments on the insurgents' plan to isolate Baghdad and cut the capital off from the rest of the country, and his examples of how well it was working, appeared to be of great concern to the Iraqi Ministries present. The news relayed at the meeting was somber: oil production is going down and is expected to continue dropping in the South, while the pipelines in the North are under constant interdiction and very little oil can be exported through Turkey. To add to the gloom, the representative from MIM said his minister could not attend, because the minister's cousin had just been assassinated, and he was at the funeral. END COMMENT.
Satterfield